GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5881
ANSWERED ON:03.05.2002
IFCI BONDS
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK;SUKDEO PASWAN

Will the Minister of FINANCE be pleased to state:

(a) whether IFCIhas delayed the repayment on some bonds which matured in March and has approached holders to reinvest the funds in a fresh issue;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps being taken/proposed to be taken by the government to ensure the timely payments of the matured bonds?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Yes, Sir. IFCI has approached all large investors for reinvestment.

(b): During March, 2002, liabilities aggregating to Rs.311.50 crore fell due inrespect of investments made in IFCI`s various series of SLR/Non-SLR BondsAgainst this, IFCI made payment aggregating to Rs.155.27 crore and the balanceis outstanding IFCI has approached large/institutional investors for roll- over/reinvestment of the dues in current issue of bonds due to liquidity constraints.

(c) : GOI has advised IFCI to prepare a turnaround strategy and plan inconsultation with the major shareholders of the company with a view to meet its legal and other obligations including timely payment of matured bonds.